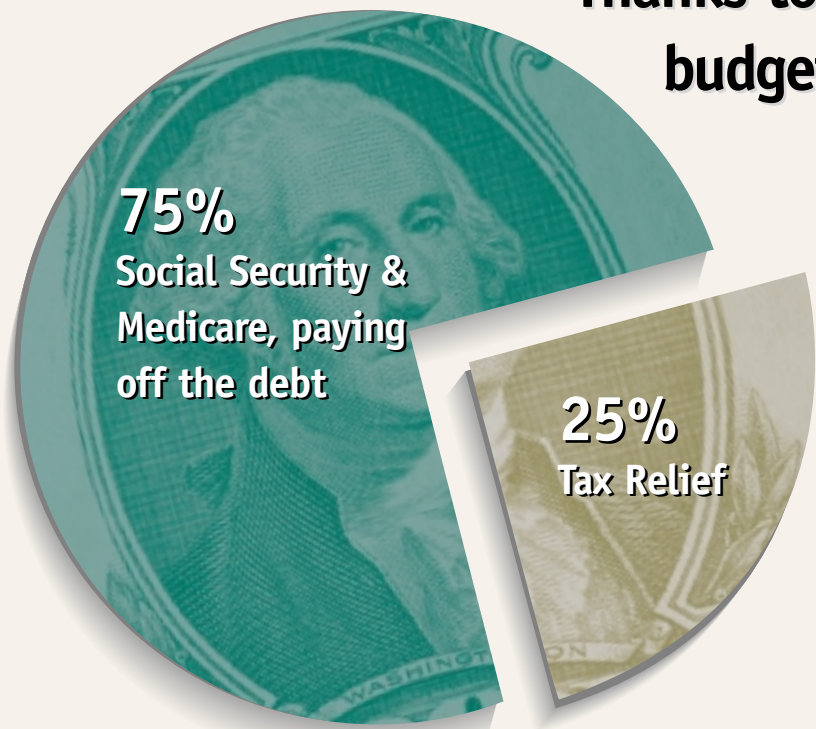


Thanks to the new era of fiscal restraint, we have a budget surplus for the first time in a generation.



Congressman Ken Calvert supports spending **75% of that surplus on protecting and preserving Social Security and Medicare**, and beginning to pay off that monster of a national debt.

The other **25% of the surplus should be returned to the taxpayers**. They have footed the bill for years of fiscal irresponsibility, and they should reap the benefits of fiscal restraint.

The Math Works:

75 cents on every dollar of the surplus goes to protect our future. 25 cents goes for tax relief for every American.

B U D G E T S U R P L U S

How to Contact Congressman Ken Calvert

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Your input does matter. As your representative in Congress, it is vital that I hear your concerns about this and other issues. This is your office, and we are here to serve you.

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-3518

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OFFICIAL BUSINESS

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Ken Calvert

Bulk Rate MC
CAR-RT SORT

Your Money doesn't
belong here...

It belongs
here!



INSIDE: Important Tax information from Ken Calvert



Dear Friend and Fellow Taxpayer:

Americans are paying too much in taxes. Tax Freedom Day - the day when Americans stop working for the government and start working for their families - came later this year than ever before: May 10, 1999.

According to the Congressional Budget Office, Americans are paying a record-high 21 percent of the Gross Domestic Product in taxes, the highest since World War II. Since 1993, federal taxes have grown by over 54 percent.

We now find our nation with a \$1 trillion surplus in income tax revenues over the next ten years. This does not include the \$1.9 trillion Social Security surplus which I have voted to lock away and use only for Social Security. We cannot act like we have found a wallet with the surplus inside and no identification. We know who the money belongs to - it belongs to the American taxpayer.

I strongly believe that this money belongs in the pockets of the American people. I trust you to make the right spending decisions for you and your family. I trust you to put food on the table, or buy new school clothes for your children, or save your money to pursue your dreams.

The Taxpayer Refund and Relief Act is sensible legislation because it only allows for tax relief after we pay down our national debt. Earlier this year, the House also passed legislation to set aside every dime of the Social Security Trust Fund – \$1.9 trillion over ten years – to provide retirement security for every American.

The Taxpayer Refund and Relief Act has passed the House and Senate. It still must be signed by the President, who has expressed his adamant opposition to returning any significant money to the taxpayers. In fact, on January 20, President Clinton said " We could give it (the budget surplus) back to you and hope you spend it right. But..."

I would like to hear your thoughts on this issue as debate continues. By keeping me informed of your views, you enable me to represent you better in Congress.

Sincerely,

The Taxpayer Refund and Relief Act will phase in an across-the-board income tax rate refund over the next ten years.



Eliminates the Marriage Tax Penalty on American Couples

The marriage penalty is unfair to the 42 million Americans who pay higher taxes only because they are married. It is especially unfair to both working women, whose income is often taxed at an astonishing 50% marginal rate, and to those who stay at home.

Under this plan, married couples would be allowed to claim a standard deduction for a single taxpayer, which in 1999 would be \$8,600 rather than \$7,200. The additional standard deduction for the blind and elderly would be increased to equal the amount claimed by singles, an increase of \$250. The average benefit for married couples would be approximately \$243 each year.



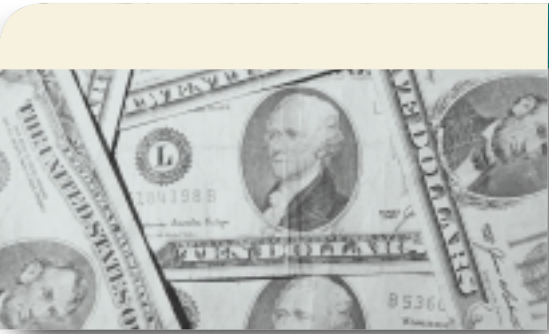
Education Savings Accounts

Improving our children's education is one of the most important priorities for America. The plan would allow tax-free expenditures from ESAs for public and private elementary and secondary school expenses, as well as higher education costs. The plan would also raise the maximum annual amount of contributions to ESAs from \$500 to \$2,000.



Making Health Insurance More Affordable and Accessible

This plan would provide individuals who purchase health insurance with a 100 percent deduction on the phased in over eight years, and will be "above the line," meaning individuals will be allowed to take the deduction whether or not they itemize deductions on their tax forms.



Ending the Death Tax Once and For All

No American - no matter what their income - should be forced to pay 55% of their savings, their business, or their farm in taxes when they die .

More than 70% of family businesses do not survive the second generation, and 87% do not make it to the third generation. Sixty percent of small-business owners report that they would create new jobs over the coming year if estate taxes were eliminated. This plan would phase down the federal estate tax rates and repeal them entirely within ten years.



Capital Gains Tax Relief to Boost Savings, Investment, and Growth

With 84 million Americans owning stocks and more entering markets each day, capital gains are no longer just for Wall Street brokers and high rollers. And, studies have shown that lower capital gains taxes keep our economy strong and help create jobs.

The plan will reduce the maximum capital gains tax rate from 20% to 18% on net capital gains from property held for more than one year. For taxpayers in the 15% ordinary income tax bracket, the capital gains rate would be reduced from 10% to 8 %.